

Company introduction of national healthcare group pte ltd essay sample

[Health & Medicine](#), [Hospital](#)



National Healthcare Group Pte Ltd (NHG) is one of the six major healthcare clusters in Singapore, by providing healthcare services to the centric Regional Health System (RHS) System (RHS for the Central Region, 2012). The group was formed in year 2000, with the vision of “ Adding Years of Healthy Life”, group’s philosophy of “ Putting Patients First” (Group Corporate Communications, National Healthcare Group, 2013, p. 4), NHG’s major healthcare institutions members include the second largest public hospital – Tan Tock Seng Hospital and the only psychiatric hospital in Singapore – Institute of Mental Health, nine primary healthcare polyclinics in the northern, western, and parts of Singapore and three specialists’ outpatients centres, which are: National Skin Centre, Johns Hopkins Singapore International Medical Centre and Communicable Disease Centre (National Healthcare Group, 2012). Anchored by Tan Tock Seng hospital (TTSH), NHG and its group members are striving their best to provide patient-centred, holistic and integrated care to the nation (National Healthcare Group, 2012). Other than contributing integrated healthcare services to the RHS, NHG also takes part in medical research, training and education for allied health and medical staff (National Healthcare Group, 2012).

PESTEL Analysis of National Healthcare Group Pte Ltd

1. Political factors

Singapore is famous for its stable political environment and well established judicial system (Monetary Authority of Singapore, 2014). The healthcare institutes and professionals are regulated and monitored by Ministry of

Health and its' statutory boards. The three-tiers multiple layers healthcare financing protections which is subsidized by Singapore government – Medisave, MediShield and MediFund, are means of ensuring that Singaporean has no affordability issues on access to different levels of healthcare services (Financing, 2013). 2. Economic factors

Singapore has been ranked as the second most competitiveness economies country in the middle of world, the result of global competitiveness study 2013 assessed by the World Economic Forum (Schwab, 2013). Secondly, according to BERI Report 2014-I (April 2014), which was performed by the a U. S-based research institute Business Environment Risk Intelligence (BERI), a study based on assessing the politics, foreign exchange and operations of the 50 major investment places, Singapore has been ranked as the most ideal place to invest in (Monetary Authority of Singapore, 2014).

3. Social factors

According to population trend report 2013, as at end-June 2013 there were total of 5.40 million residents in Singapore, which consists of 3.31 million Singapore citizens (Department of Statistics, Ministry of Trade & Industry, 2013). The median age of Singaporeans, has rose further to 38.9 years in 2013 from 38.4 years in 2012, are the reflection of an ageing population. In year 2012, the aged 65 years Singapore residents have over crossed the 10% share among resident population for the first time, growing from 9.9% in year 2012 to 11% in year 2013 (Department of Statistics, Ministry of Trade & Industry, 2013). By noticing this, Singapore government has projected a

doubled of its previous healthcare budget for year 2012-2016 to face the challenge of ageing population (Low & Elias, 2012).

4. Technological factors

Notice that 87% of the population in Singapore are smartphone users, NHG has work with Integrated Health Information Systems' (IHiS, a subsidiary of Ministry of Health) IT experts to implement useful apps for both android and iphone users. One of their successful inventions is " miHealthCare" app, a one-stop mobile app that gathers all information about public hospitals and polyclinics. Till date, it has been used by more than 6, 000 patients to manage their medical appointments since December 2013 in NHG Polyclinics (Chew, 2014).

5. Environmental factors

As one of the highly-developed country, Singapore is threatened by rampant urbanization and ageing population. Noises from the busy expressway, exhaust fumes from factories and motor vehicles, light pollution from office buildings, are not only accelerating the global warming but also causing chronic diseases such as asthma depression, hypertension and etc. NHG has set up the Chronic Disease Management unit in year 2000, to help the patients have better control or prevention to the chronic diseases and management programs for them (NHG Chronic Diseases Management, 2012).

6. Legal factors

The supportive government policies have made Singapore ranked as the

best environment to do business not only in Asia Pacific but also in the world (Facts and Rankings, 2014). Under the sophisticated and strong intellectual property (IP) protection laws, the Intellectual Property Office of Singapore (IPOS) under Ministry of Law, the IP is being protected and the relevant tools and information are being provided by IPOS (Government of Singapore, 2014).

Porter's 5 Forces of National Healthcare Group

1. New Entrants (High Pressure)

The Sengkang General and Community Hospitals under Singhealth Group is the next upcoming new entrant of NHG. Planned to be completed in year 2018, the new hospital is expected to boast 1, 400 beds to current healthcare system and provides residents in the north-east region, including Punggol, Sengkang, Hougang, Pasir Ris and older nearby community- Ang Mo Kio healthcare services (Siau, 2013). Undoubtedly, this will bring severe impact by reducing the numbers of patients visiting both NHG's Hougang and Ang Mo Kio polyclinics. Also, announced by Singapore Health Minister Gan Kim Yong, there will be more than ten polyclinics and four new public hospitals to be completed by year 2013. According to him, the government is looking forward to providing "greater assurance" by giving out more subsidies on healthcare costs (Soh, 2013). The barriers to enter this sector are low because of the supportive actions taken by government; however, the new entrants' forces to NHG are high.

2. Threat of Substitute (Medium to High Pressure)

The threat of substitute forces on NHG is considered lower than its entrants' forces. Other than NHG cluster, there are another 5 healthcare clusters that patients can opt for healthcare services. Besides, according to the May 2014 Monthly Digest of Statistics Singapore, the total numbers of patients discharged from TTSH was 52, 957 people, which is lower than Singapore General Hospital (78, 300 people) and National University Hospital (56, 696 people) (Department of Statistics, 2014, p. 126). This is due to the average high Beds Occupancy Rate (Ministry of Health, 2014) that also reflected the shortage of beds in Tan Tock Seng hospital (Khalik, 2014, pp. B6-B7). On the other hand, without setting up its own Orthopaedics, Gynaecology and Paediatrics specialties, NHG will continue to lose women and children patients, especially from the young growing community, Sengkang and Punggol districts to other hospitals (Gan, 2013).

3. Suppliers (Medium to Low Pressure)

NHG has a matured Group Purchasing Office (GPO) that procures not only for NHG's members, but also for other government agencies and different clusters' competitors including: Agency for Integrated Care (AIC), Integrated Health Information System (iHIS), Alexandra Health Pte Ltd (AHPL), Jurong Health Services (JHS), National University Health System (NUHS) (National Healthcare Group, 2012). The procurement services and products provided by NHG GPO include medical and non-medical equipments, indirect services, capital investment and facilities management (NHG - Group Purchasing Office, 2010). The forces that has comes from suppliers to NHG are

considerably medium to low due to it is making decisions for few institutions and has more rights to bargain with suppliers.

4. Customers (Low Pressure)

The overall patients' (customers) satisfaction on NHG hospitals and polyclinics are in a satisfactory level among other institutions according to the patient satisfaction survey done by Ministry of Health. In to the survey, IMH and NHG Polyclinics have the highest patients' satisfactory compared to other clusters (Ministry of Health, 2012). For the price of services provided by NHG, under certain criteria the required fees to seek for healthcare services for Singaporeans are coverable by their Medisave/under subsidized by government, especially there are more subsidized for elder Singaporeans (Measures For Households, 2014). In conclusion, patients are satisfied with the services they received and have less worries about price. The customers' forces toward NHG are low compared to the aforementioned forces.

5. Intensity of Rivalry (Medium Pressure)

The numbers of competitors for NHG is numerous. Other than the 5 public healthcare clusters and their group members, the 6 private hospitals (Private Hospitals – Medical Specialties, 2013) should also add into the counts. The exit barriers for healthcare industry are undoubtedly high, resulted by the high investments (the total assets of NHG as of FY 2012 was SGD\$1, 176 millions) (Wong, Tan, & Lim, 2012) to maintain as a healthcare group setting. However, compared to others forces, the intensity of rivalry is considered has a medium pressure towards NHG.

Conclusion of PESTEL and Porter's Five Forces Analysis on National Healthcare Group

The social factor (ageing population) is the major future challenge that needs to be solved by NHG. This is not only results on adding the burden on Singaporean's healthcare expenses and needs more governments' subsidized, demands on medications, but also affects the numbers of workforce available to contribute to the industry in the future. Secondly, without setting up its own Nursing home and the insufficient beds in TTSH, NHG will continued to face the limitation to provide sufficient services for the increasing elderly patients that need long-term hospitalization care. On the other hand, the forces on new entrants cannot be ignored. Under government's supportive policies, the entry barrier for healthcare industry is low. NHG should come out with a plan on how to expand its services especially in paediatrics, gynaecology and obstetrics, even in primary care sectors. The reason for doing so is to provide integrated and seamless care for patients, and to avoid loss on patients or come down as the second choice for customer due to the incomplete hospital department setting. In conclusion, in the role of central RHS, NHG should always upgrade, evolve the services by stick to the corporate philosophy of " Putting patients first".

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